29 May 2013

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Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC) ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS TO MEMBERS

Attached is a copy of the address by Mr Frank Lowy AC, Chairman which will be delivered at today's Westfield Group Annual General Meeting.

Yours faithfully
WESTFIELD GROUP

Simon Tuxen
Company Secretary

Encl.

ADDRESS TO MEMBERS
WESTFIELD GROUP
ANNUAL GENERAL MEETING
HELD ON WEDNESDAY, 29 MAY 2013 AT 11:00AM
THE JAMES COOK BALLROOM, INTERCONTINENTAL SYDNEY
117 MACQUARIE STREET SYDNEY

CHECK AGAINST DELIVERY

Ladies and gentlemen

I am pleased to report to you that Westfield Group recorded another successful year in 2012. Talking to you today at the end of May, that seems like a long time ago.

In February we released our annual results for 2012, which showed a net profit of $1.72 billion, up 18.3% on the previous year.

Our Funds from Operations, the primary measure of the Group's earnings from operations, were $1.47 billion representing 65 cents per security, in line with our forecast. If you take out the impact of asset sales and our share buy-back programme, then on a like for like basis, our Funds from Operation per security was actually up by 6%.

As noted in the Annual Report, members received a total shareholder return of 42.6% in 2012 - giving an average total shareholder return of 28.9% over the past 3 years. I am sure that these returns reflect both the lessening impact of the global financial crisis and a high degree of acceptance by the markets of the corporate strategy being pursued by Westfield. I will return to that topic shortly.

Retail sales growth in Australia was subdued in 2012 and that trend is continuing in 2013 given the lower level of consumer confidence which has existed for some time. Despite this difficult environment, the business in Australia is performing well and productivity within the Australian portfolio remains high. At the same time, operating performance in our international markets has been encouraging - with the US market now well into a recovery phase following the global financial crisis. These results demonstrate the benefits of owning a geographically diverse portfolio.

In short, the operating and financial performance of the Group remains sound, our balance sheet is strong and the prospects for future growth are bright.

I would like to take time today to give you a snapshot of the Group's strategy which we have successfully executed over the past few years and the direction in which the Group is heading.

Our strategy has a range of different objectives.

There are important financial objectives which relate to matters such as improving the Group's return on equity. Put simply, we want to use the capital that shareholders have invested as efficiently as possible to maximise earnings and promote capital growth. In 2012, that return on contributed equity was 11.4% compared with 9.1% in 2010 when we started this process. Through various measures which I will talk about today, we aim to improve that return even further in the coming years.

Some of our objectives are operational and reflect our strong focus on continually improving the shopping experience in our centres by introducing the best global retailers, including many luxury brands, and generally providing our shoppers with a world class experience in food, fashion, leisure and entertainment. Our evolving digital business strategy is a key element in achieving this objective.

As regards our property portfolio, our aim is to create and maintain assets of the highest possible quality. We are continually seeking opportunities to participate in exciting retail projects such as those at World Trade Centre in New York, Milan in Italy and Croydon in the south of London.

And there are exciting new re-developments in our current portfolio such as Westfield Miranda here in Sydney and Century City and Valley Fair in California.

At the same time, we have sold centres in a number of markets where those centres did not meet our new return criteria.

Sometimes it isn't an easy decision to sell these centres because typically the sale of an asset results in earnings dilution during the period of time that it takes to redeploy the proceeds of sale. The issue of short term earnings dilution is something we will have to accept for as long as we continue implementing our strategy of selling assets that do not meet our performance criteria. We will continue to make every effort to mitigate any earnings dilution where it occurs but we must always be prepared to take a longer term view of what is best for the Company.

Since 2010, we have also released additional capital by creating new joint ventures with major global investors over a number of our assets in the United States.

What will Westfield look like at the end of this process?

I can tell you that a high percentage of the centres in our portfolio will be amongst the best centres in their markets.

They will include many of the best local and global retailers.

And the shopper will increasingly connect with the centre and its retailers using digital technology.

We will use funds from asset sales and joint ventures to fund future investment in our portfolio including new projects in the world's leading cities.

It is worth noting that although we have sold and joint ventured certain assets, our development pipeline has actually increased by $1 billion to $12 billion. Our expected investment in that pipeline is $5 billion. We will not be calling on our securityholders to contribute new capital to fund this investment.

Where there is surplus capital we will continue to selectively reduce our gearing and/or buy back securities.

Finally, we will continue to focus on ways to improve the return which securityholders receive on their capital and to ensure that we create long term sustainable value for investors.

This is the path we are on and it is gratifying and exciting to see the progress made in the past few years and to understand the possibilities for the future.

Ladies and gentlemen, these are exciting times for the retail industry globally.

The constantly changing retail landscape has always been challenging, and that remains true today.

The rapid pace of change in retail formats, digital technology and shopping habits make it as difficult as ever to predict the future.

But, as we have in the past, we see change as an opportunity to improve our business and grow.

We are at the intersection of so much that is new and exciting in global retail property.

We interact with retailers, at all levels and in multiple markets around the world.

This interaction has accelerated our evolution towards creating very different kinds of shopping centres from those we traditionally developed.

Changes in the design of our centres and the mix of local and international retailers they attract, including many luxury brands, together with the increased emphasis on fine food and better casual dining are driving a new way of looking at our industry and opening up new possibilities.

Just one of these exciting new possibilities is the way in which Westfield is developing its digital business strategy to use technology to better connect retailers and consumers and we are devoting increased resources to exploring the opportunities in this area.

Many of the themes I have outlined today are covered in the Shareholder Review for 2013 which was published recently and which is available in a more interactive format on the Group's recently re-launched website. Our revamped website will be constantly updated and I recommend the website to all investors.

Ladies and gentlemen, it is with a great sense of sadness that I note that two of our most highly-valued directors will be leaving the Board. Last night the Board and senior executive team had an opportunity to farewell these two directors in a way that honoured their outstanding service to the

Group over a long period of time. I want to take this opportunity, in this forum, to place our appreciation on the public record.

Stephen Johns joined Westfield in 1970 at a time when we recognised a need to inject new blood into the company.

We had been operating as a public company for almost 10 years and we needed a new kind of young executive talent who could bring new skills and a new level of professionalism in financial management.

We advertised - Stephen was one of the candidates - and I immediately saw in him a great potential.

Reflecting on Stephen's wonderful career I can say today that he more than realised that potential.

I also like to think that Stephen's career represents what Westfield is all about – that with hard work and intelligence, the sky is the limit.

Stephen has served Westfield in many capacities, as a senior executive and Finance Director, as chairman of numerous board committees and as a non-Executive Director. He has made a significant contribution to the success of Westfield, and has also been a most trusted adviser to me through good times and some not so good times.

It is my sincere hope - it is my belief - that he will remain close to the company, so that we are able to benefit from his wisdom and insights, his incredible corporate memory of the Westfield story and, of course, his friendship.

Stephen, let me say on behalf of the Board, senior management, staff and shareholders – a very very big thank you for your outstanding service over your 43 years with the Company.

Professor Fred Hilmer is the other director leaving the board.

Fred joined the board in 1991. I recall very clearly the circumstances that led us to Fred at the time.

At Westfield we have always been very vigilant about keeping up with changes in our industry, looking ahead to anticipate both the threats and challenges.

One potential challenge back in the 1980s and early '90s was the emerging growth of TV home shopping.

We asked Fred, who was then a partner at McKinsey, to examine the issue and report to us on the implications of TV home shopping for Westfield's business.

The clear, analytical and professional approach that Fred took to the task impressed us immediately.

We said: "he is a person who should be with us." And together, we have never looked back.

Fred's analytical capabilities combined with his ability to reduce seemingly very difficult issues to basic principles, have been an invaluable asset to the Board over many years.

Fred, on behalf of my fellow directors, and the entire company, I say, thank you for your outstanding service to the Group.

We are fortunate that although we are losing two outstanding directors, the Group is able to attract excellent candidates to fill the considerable gap left by Stephen and Fred. One such candidate is Mark Johnson, whose election will be considered later in the meeting.

When approved by members, Mark's election will continue a process of board renewal which has been ongoing for a number of years and I think the Board continues to be of the highest calibre, with the broad range of the skills and experience required to run a global business in today's environment.

Ladies and gentlemen, in closing I would like to reconfirm our Funds from Operation forecast for 2013 of 66.5 cents per security.

The distribution for the 2013 year is forecast to be 51 cents per security, up 3% from 2012.

This forecast takes into account the full year impact of the divestments completed during 2012, as well as the transaction already announced this year. The forecast assumes no material change in foreign currency exchange rates prior to the end of the year.

As I said earlier, these are exciting times for our business, with opportunities to accelerate the move towards better-designed retail destinations located in the heart of some of the world's leading cities.

It has been a hallmark of Westfield that we do work hard to anticipate changes in our industry and adapt to them.

I would like to thank my colleagues on the board, our senior executive team and staff around the world for the role they have played in putting us in that position.

As I have already said operating a global business in today's environment requires highly talented and committed executives.

Believe me, it is a job which requires great dedication.

We are fortunate at Westfield to have a senior team which comprises highly experienced executives with an average length of service of more than 13 years, as well as new talent which we are developing in our executive ranks.

I look forward to the year ahead.

-ENDS-